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U.S. DEPARTMENT OF LABOR

BLS

Kansas City Area Employment – August 2020

Total nonfarm employment for the Kansas City, MO-KS Metropolitan Statistical Area (MSA) stood at 1,051,900 in August 2020, down 46,300 from a year ago, the U.S. Bureau of Labor Statistics reported today. From August 2019 to August 2020, local nonfarm employment fell 4.2 percent compared to the national decline of 7.0 percent. (See chart 1 and table 1.) Regional Commissioner Michael Hirniak noted that this was the fifth consecutive month of over-the-year employment declines in the Kansas City area. The largest share of the monthly decrease was in the Missouri portion of the MSA. (The Technical Note at the end of this release contains metropolitan area definitions. All data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

Chart 1. Total nonfarm employment, over-the-year net change in the Kansas City metropolitan area and its components, August 2015–August 2020
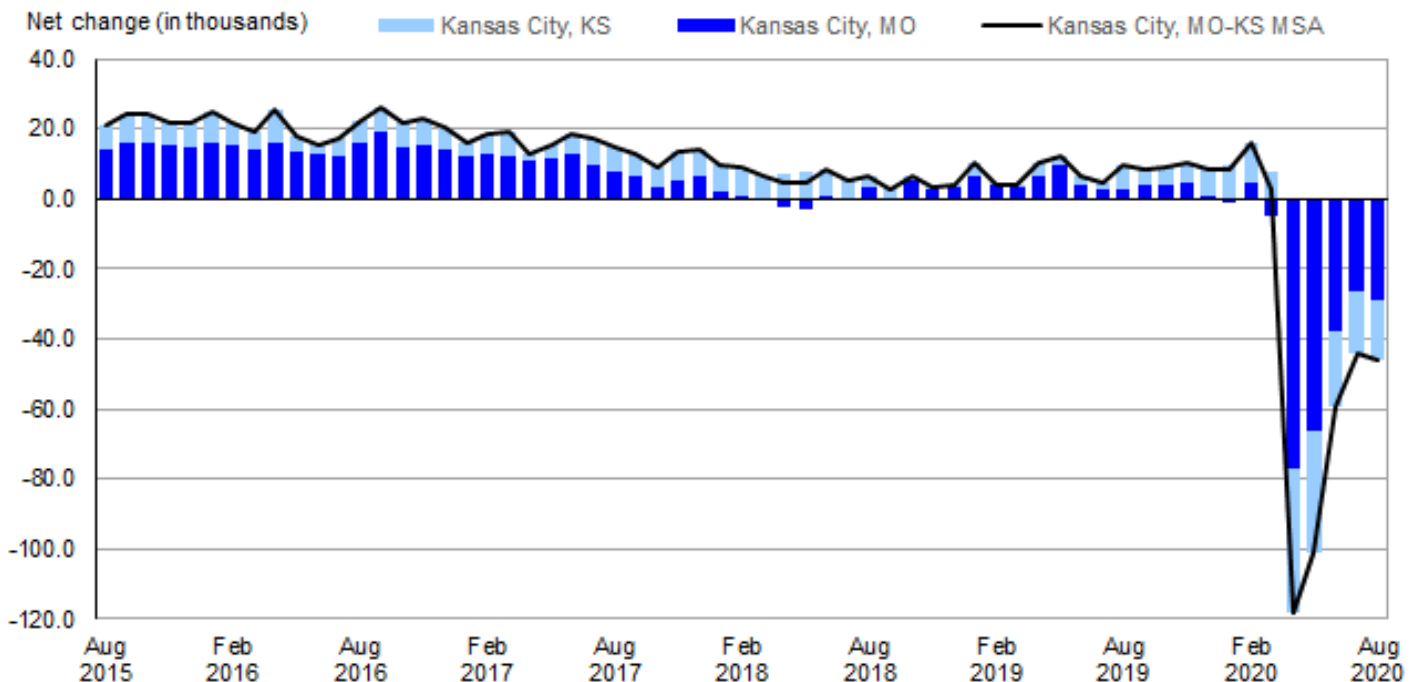
Source: U.S. Bureau of Labor Statistics.

The Kansas City Metropolitan Statistical Area is comprised of two separately identifiable employment centers within the larger metropolitan area—the Missouri portion and the Kansas portion of the MSA. The Missouri side, which had approximately 55 percent of the area's workforce, lost 29,000 jobs (-4.8 percent) from August 2019 to August 2020, and the Kansas side lost 17,300 jobs (-3.5 percent).

Industry employment

In the Kansas City metropolitan area, the leisure and hospitality supersector recorded the largest employment loss from August 2019 to August 2020, declining by 23,100 jobs, accounting for almost half the area's total employment decrease. The Kansas City area had a 19.9-percent local rate of job loss in this supersector. Nationally, employment fell 23.2 percent in this supersector. (See chart 2.)

Professional and business services (the second largest supersector by employment) had the second- largest employment decrease, down 10,500 jobs from August 2019 to August 2020. The decline was largely attributable to the loss of 7,200 jobs in the Kansas portion of the MSA, more than twice the job loss in the Missouri portion (-3,300). Locally, the professional and business services supersector's rate of job loss was 5.4 percent, compared to a 6.0-percent loss nationally.

Education and health services and financial activities each lost more than 5,000 jobs over the year, down 5,500 and 5,300, respectively. The 3.5-percent local rate of job loss for education and health services compared to the national decline of 4.9 percent. The 6.6-percent rate of job loss in the financial activities supersector compared to the national decline of 1.4 percent.

Employment in Kansas City's manufacturing supersector fell by 3,300 jobs from August a year ago. The local area's 4.2-percent rate of job loss compared to the 5.6-percent national decline.

Mining, logging, and construction recorded a gain of 3,900 jobs, a 7.1-percent rate of gain for the local area. Government was the only other local supersector to register an over-the-year increase in employment, adding 3,200 jobs. The government supersector's 2.3-percent local increase was counter to the national decline of 3.6 percent.

The remaining three supersectors (trade, transportation, and utilities; information; and other services) also recorded over-the-year job losses in the Kansas City MSA. But in each of these supersectors, the local rates of job loss were slower than the national rates of decline.

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Kansas City metropolitan area, August 2020

Source: U.S. Bureau of Labor Statistics.
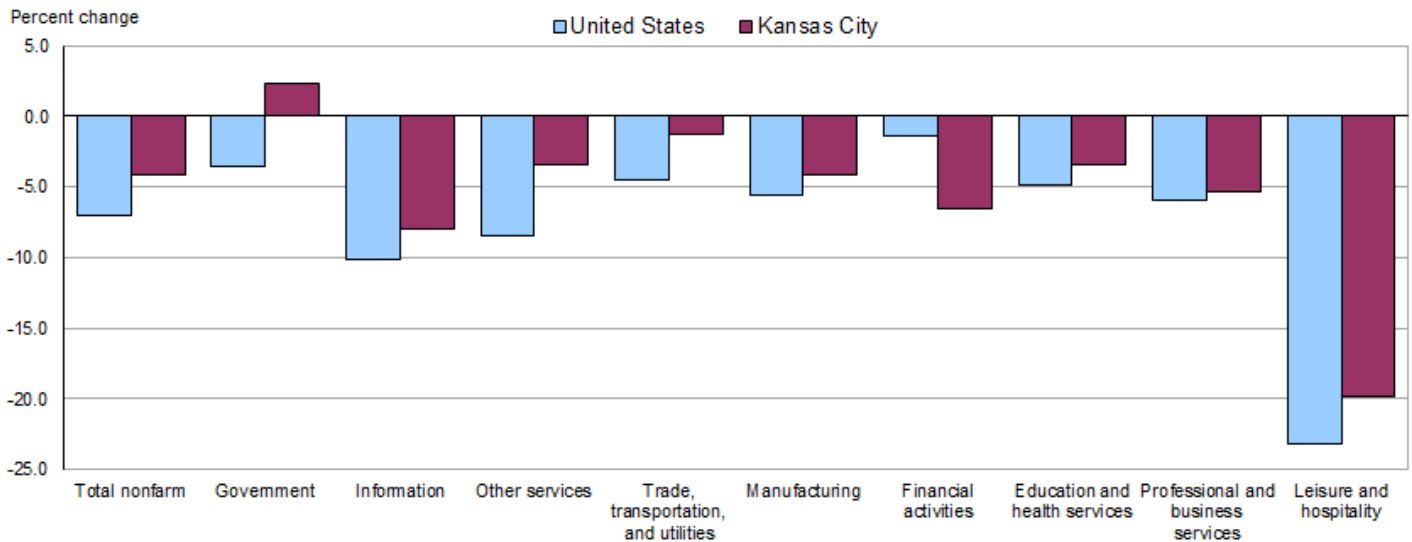
Metropolitan area employment and unemployment data for September 2020 are scheduled to be released on Wednesday, October 28, 2020, at 10:00 a.m. (ET).

Coronavirus (COVID-19) Impact on August 2020 Establishment Survey Data

BLS has continued to review all estimation and methodological procedures for the establishment survey, which included the review of data, estimation processes, the application of the birth-death model, and seasonal adjustment. Business births and deaths cannot be adequately captured by the establishment survey as they occur. Therefore, the Current Employment Statistics (CES) program uses a model to account for the relatively stable net employment change generated by business births and deaths. Due to the impact of COVID-19, the relationship between business births and deaths is no longer stable. Typically, reports with zero employment are not included in estimation. For the July final and August preliminary estimates, CES included a portion of these reports in the estimates and made modifications to the birth-death model. In addition for both months, the establishment survey included a portion of the reports that returned to reporting positive employment from reporting zero employment. For more information, see www.bls.gov/web/empsit/cesbd.htm.

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and are not being paid are not counted as employed, even if they are continuing to receive benefits. The length of the reference period does vary across the respondents in the establishment survey; one-third of businesses have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.

Technical Note

This release presents nonfarm payroll employment estimates from the Current Employment Statistics (CES) program. The CES survey is a Federal-State cooperative endeavor between State employment security agencies and the Bureau of Labor Statistics.

Definitions. Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2017 version of the North American Industry Classification System.

Method of estimation. CES State and Area employment data are produced using several estimation procedures. Where possible these data are produced using a "weighted link relative" estimation technique in which a ratio of current-month weighted employment to that of the previous-month weighted employment is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are then obtained by multiplying these ratios by the previous month's employment estimates. The weighted link relative technique is utilized for data series where the sample size meets certain statistical criteria.

For some employment series, the sample of establishments is very small or highly variable. In these cases, a model-based approach is used in estimation. These models use the direct sample estimates (described above), combined with forecasts of historical (benchmarked) data to decrease volatility in estimation. Two different models (Fay-Herriot Model and Small Domain Model) are used depending on the industry level being estimated. For more detailed information about each model, refer to the BLS Handbook of Methods.

Annual revisions. Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

Reliability of the estimates. The estimates presented in this release are based on sample survey, administrative data, and modeling and, thus, are subject to sampling and other types of errors. Sampling error is a measure of sampling variability--that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding.

Employment estimates. Measures of sampling error for the total nonfarm employment series are available for metropolitan areas and metropolitan divisions at www.bls.gov/sae/additional-resources/reliability-of-state-and-area-estimates.htm. Measures of sampling error for more detailed series at the area and division level are available upon request. Measures of sampling error for states at the supersector level and for the private service-providing, goods-producing, total private and total nonfarm levels are available on the BLS website at www.bls.gov/sae/additional-resources/reliability-of-state-and-area-estimates.htm. Information on recent benchmark revisions is available online at www.bls.gov/web/laus/benchmark.pdf.

Area definitions. The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget on April 10, 2018. A detailed list of the geographic definitions is available at www.bls.gov/lau/lausmsa.htm.

The Kansas City, MO-KS Metropolitan Statistical Area (MSA) includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri; Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties in Kansas.

    The Kansas City, MO, portion includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties.

    The Kansas City, KS, portion includes Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties.

Additional information

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available online at www.bls.gov/opub/ee/home.htm. Detailed industry employment data for metropolitan areas from the CES program are available from the State and Area Employment databases at www.bls.gov/sae/data/home.htm.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Employees on nonfarm payrolls by industry supersector, the United States and the Kansas City metropolitan area and its components, not seasonally adjusted (numbers in thousands)

Area and Industry	Aug 2019	Jun 2020	Jul 2020	Aug 2020(p)	Aug 2019 to Aug 2020(p) Net change	Aug 2019 to Aug 2020(p) Percent change
United States						
Total nonfarm..	151,141	138,502	139,063	140,598	-10,543	-7.0
Mining and logging	744	630	630	625	-119	-16.0
Construction	7,760	7,365	7,426	7,459	-301	-3.9
Manufacturing...................................	12,929	12,139	12,175	12,211	-718	-5.6
Trade, transportation, and utilities	27,619	25,868	26,087	26,382	-1,237	-4.5
Information	2,887	2,584	2,585	2,594	-293	-10.1
Financial activities	8,835	8,648	8,682	8,713	-122	-1.4
Professional and business services	21,521	19,838	20,002	20,220	-1,301	-6.0
Education and health services	23,980	22,556	22,649	22,815	-1,165	-4.9
Leisure and hospitality......................	17,244	12,437	13,139	13,249	-3,995	-23.2
Other services	5,951	5,246	5,405	5,445	-506	-8.5
Government.......................................	21,671	21,191	20,283	20,885	-786	-3.6
Kansas City, MO-KS, MSA						
Total nonfarm..	1,098.2	1,044.9	1,045.2	1,051.9	-46.3	-4.2
Mining, logging, and construction......................	55.1	57.6	58.4	59.0	3.9	7.1
Manufacturing...................................	78.2	74.2	73.7	74.9	-3.3	-4.2
Trade, transportation, and utilities	218.6	213.3	213.4	215.7	-2.9	-1.3
Information	16.2	15.1	15.1	14.9	-1.3	-8.0
Financial activities	79.7	76.1	75.5	74.4	-5.3	-6.6
Professional and business services	194.8	185.1	185.0	184.3	-10.5	-5.4
Education and health services	156.0	147.3	149.3	150.5	-5.5	-3.5
Leisure and hospitality......................	116.3	88.7	92.5	93.2	-23.1	-19.9
Other services	43.0	40.9	41.6	41.5	-1.5	-3.5
Government.......................................	140.3	146.6	140.7	143.5	3.2	2.3
Kansas City, MO, portion						
Total nonfarm..	609.9	577.2	578.0	580.9	-29.0	-4.8
Mining, logging, and construction......................	31.1	33.3	33.9	34.7	3.6	11.6
Manufacturing...................................	46.7	43.1	42.9	43.5	-3.2	-6.9
Trade, transportation, and utilities	112.5	108.6	107.9	108.6	-3.9	-3.5
Information	9.0	8.5	8.5	8.4	-0.6	-6.7
Financial activities	41.3	37.9	37.4	37.0	-4.3	-10.4
Professional and business services	100.6	100.0	98.4	97.3	-3.3	-3.3
Education and health services	85.8	79.6	81.2	81.7	-4.1	-4.8
Leisure and hospitality......................	71.6	52.0	54.9	55.3	-16.3	-22.8
Other services	25.9	25.2	25.6	25.4	-0.5	-1.9
Government.......................................	85.4	89.0	87.3	89.0	3.6	4.2
Kansas City, KS, portion						
Total nonfarm..	488.3	467.7	467.2	471.0	-17.3	-3.5
Mining, logging, and construction......................	24.0	24.3	24.5	24.3	0.3	1.3
Manufacturing...................................	31.5	31.1	30.8	31.4	-0.1	-0.3
Trade, transportation, and utilities	106.1	104.7	105.5	107.1	1.0	0.9
Information	7.2	6.6	6.6	6.5	-0.7	-9.7
Financial activities	38.4	38.2	38.1	37.4	-1.0	-2.6
Professional and business services	94.2	85.1	86.6	87.0	-7.2	-7.6
Education and health services	70.2	67.7	68.1	68.8	-1.4	-2.0
Leisure and hospitality......................	44.7	36.7	37.6	37.9	-6.8	-15.2
Other services	17.1	15.7	16.0	16.1	-1.0	-5.8
Government.......................................	54.9	57.6	53.4	54.5	-0.4	-0.7

Footnotes
(p) Preliminary